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IN THE

Supreme Court of the United States

OCTOBER TERM, 19[illegible]

No. 71-[illegible]

DEEPSOUTH PACKING CO., INC.,
Petitioner,

v.

THE LAITRAM CORPORATION,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

BRIEF AMICUS CURIAE

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MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

Edward S. Irons and Mary Helen Sears, members of the Bar of this Court, respectfully move under the provisions of Rule 42(3) for leave to file a brief *amicus curiae* in order to present certain views generally supportive of petitioner in this case which, we believe, may not be advanced by either party. Consent to the filing of this brief has been refused by the petitioner.*

Applicants are lawyers primarily engaged in representing clients in patent, trademark and unfair competition matters before the Federal courts. In the course of this practice, applicants have devoted considerable effort and study to ascertaining the scope and meaning of the constitutional patent clause.

Applicants have particularly noted that the prevailing philosophy among patent lawyers at present is one which runs directly counter to the historical premises of the constitutional patent clause and hence to the only type of patent system which that clause authorized the Congress to promulgate. For example, we have noted that in *Blonder-Tongue Laboratories* v. *University of Illinois Foundation*, 402 U.S. 313 (1971), when this Court requested the parties to brief the question of whether *Triplett* v. *Lowell*, 297 U.S. 638 (1936) should be reconsidered so as to permit the application of collateral estoppel to a first adjudication of patent invalidity, the response by petitioners was as follows:

> "Though petitioners stand to gain by any such result, we cannot urge the destruction of a long accepted safeguard for patentees merely for the expedience of victory." (Petitioner's brief, p. 12).

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* Applicant Edward S. Irons has an interest in an account receivable payable by petitioner to a law firm in which Mr. Irons was once a partner and applicant Mary Helen Sears was an associate. The preparation and filing of the proposed brief *amicus curiae* has in no way been motivated by these facts.

Knowing that the present trend of thought in the patent bar generally favors the granting of patents to stimulate and reward commercial enterprise and investment in research rather than invention, applicants are concerned that the constitutional issue posed by the decision below will—similarly to what happened in *Blonder-Tongue*—be briefed before this Court only one-sidedly with both parties taking the same viewpoint. Accordingly it is respectfully requested that the Court receive and consider our appended brief which presents a viewpoint opposite to that currently popular in the patent bar, but believed to be the only one acceptable in light of relevant history before and after the adoption of the Constitution.

Respectfully submitted,

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-315

DEEPSOUTH PACKING CO., INC.,
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THE LAITRAM CORPORATION,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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BRIEF AMICUS CURIAE

INTEREST OF THE AMICUS CURIAE

Our interest in this case is simply to insure that the Court has before it a full development of policy considerations relevant to the constitutional issue posed by the decision below. As practicing lawyers with many years experience in the constitutional aspects of the patent privilege, we desire to put forth for the Court's consideration a viewpoint that probably will not be developed in the brief of either litigant, which we believe to be controlling in the disposition of the philosophical considerations underlying the decision below.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Article I, Section 8, Clause 8 of the Constitution provides:

> "The Congress shall have Power
>
> * * * *
>
> "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;"

35 U.S.C. 271(a) provides:

> "Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

35 U.S.C. 283 provides:

> "The several courts having jurisdiction of cases under this title may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable."

STATEMENT OF THE CASE

The Fifth Circuit has held that the accumulation in the United States of certain unassembled unpatentable mechanical parts including razor blades, punched sheet metal, troughs, conveyor belts and water spray devices—some but not all of petitioner's own manufacture—is an infringement of two patents which each claim only specific combinations of some of such elements.[1] Corollary

[1] The decision below is reported at 443 F. 2d 936 and is a companion to the Fifth Circuit's decision of the same date holding the patents in suit valid and infringed by petitioner's domestically sold competitive shrimp deveining machinery, reported at 443 F. 2d 928. The decision below reverses the decision of the District Court

to this, it directed that petitioner should be enjoined under 35 U.S.C. 271(a) and 283 from shipping the unassembled, unpatented and unpatentable parts to Brazil for first assembly into a shrimp deveining "machine" in that foreign jurisdiction.

Both of the combination patents describe shrimp deveining expedients. The first, patent 2,694,218, filed August 19, 1952 has for its stated objects to provide a device for accomplishing both "slitting of the backs of shrimp to expose and release the black vein or alimentary canal" and "separation and removal" of the vein "from the shrimp meat" (Patent '218, Col. 1, ll. 15-31). The "patented invention" here in issue is defined by Claim 3 as the combination of (1) an inclined trough, (2) a knife [razor blades] positioned in the trough to slit the backs and expose the veins of the shrimp which slide down it and (3) a water spray to facilitate the downward sliding and separate the vein.[2]

The trial court acknowledged "that the principles on which the slitter operates were not new, for the Lapeyres

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for the Eastern District of Louisiana reported at 310 F. Supp. 926, wherein the trial court modified the injunction against petitioner entered as a consequence of its original validity and infringement decision reported at 301 F. Supp. 1037.

[2] The specific language of Claim 3 of patent 2,694,218—the only claim of this patent applied to petitioner's practices by either lower court—is as follows:

"3. A shrimp de-veining machine comprising

[1] an inclined trough down which the shrimp are induced to slide,

[2] a knife [*e.g.* razor blades] in said trough positioned to be encountered by the shrimp to cut the membrane confining the vein, and

[3] a water spray to the trough directed upon the shrimp for sliding shrimp down the trough and for flushing out the vein through the severed membrane."

Claim 1, which the trial court held not infringed on file wrapper estoppel grounds found insubstantial on appeal, similarly recites a trough with knives in combination with a water supply.

[alleged inventors; respondent's assignors] neither invented gravity nor discovered the lubricating quality of water; they did not design the biological qualities of shrimp nor originate the cutting force of knives" (301 F. Supp. 1037, 1053).

The second deveiner combination patent 2,825,927 was filed by the same alleged inventors on July 8, 1954 about two years after the first '218 patent was filed. The second patent describes another deveining device designed to be used "in series with" the deveining device of the first patent, which had been found *un*satisfactory because it did not remove "all of the veins". (Patent '927, Col. 1, ll. 20-34).[3]

The combination of the '927 patent[4] is defined by its Claim 1. Like the '218 combination, it also may include a trough—this time surfaced with punched metal—and a

---

[3] Though the trial court opinion (301 F. Supp. at 1053, especially note 5) suggests otherwise, the trial court's fact findings 20-26 of Section II "Background Facts" indicate clearly that the two were commercialized *only* in tandem, undoubtedly because neither alone could perform a commercially satisfactory function. Thus Fact Finding II-20 states

> "In mid-1954, machinery incorporating the inventions of the '218 and '927 patents was offered to the shrimp industry."

Fact Finding II-24 states

> "Insofar as any issue in this action is concerned, all deveining machinery manufactured and leased to the shrimp industry by Laitram has been identical; all 'slitters' have incorporated inventions of the '218 patent and all 'tumblers' have incorporated inventions of the '927 patent; all such machinery has had placed upon it the proper statutory notice indicating it was embraced by the patents in suit. Any reference to Laitram deveining machinery herein means the machinery incorporating inventions of these patents."

Fact Finding II-26 points out, *inter alia*, that "Forty-four units of its [respondent's] deveining machinery (each unit including a 'slitter' and a 'tumbler' embodying the inventions of the patents in suit) were being leased when this action began."

[4] Only Claim 1 was held valid and infringed below.

water current.[5] The sheet metal punched to provide projections or lips, which is placed in the trough in lieu of the razor blades of the '218 patent, is an old material that the inventors "found . . . illustrated in a commercial catalog", (301 F. Supp. at 1063). In use, "[s]hrimp are carried along the trough . . . by a current of water" (Patent '927, Col. 8, ll. 11-15) so that the punched out lips hook the veins of the previously slit shrimp and remove them.[6]

The trial court acknowledged that the '927 arrangement of parts "incorporates *no new mechanical principles*. It is a novel *combination* of previously known elements." (301 F. Supp. 1037, 1062).[7]

In commercial practice, both the '218 and the '927 combinations were sold by respondent associated in one hybrid *unpatented* shrimp deveining "machine".[8]

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[5] Trough-water current combinations as defined by Claim 1 are illustrated by Figures 15 through 18 and described in Col. 7, l. 64 through Col. 8, l. 49 of the '927 patent. Petitioner has not been accused of using the rotating drum device described elsewhere in the patent which is the specific subject matter of various of the uninfringed claims. In fact petitioner does not use any device illustrated in the '927 patent but rather an entirely different combination which the Patent Office found to be unobvious in view of the '927 patent as evidenced by the grant of patent 3,414,934.

[6] Claim 1 of respondent's patent 2,825,927, held to be infringed states:

> "1. In a shrimp vein remover,
>
> [1] a supporting member, a lip projecting at an acute angle from the supporting member and having a smooth rounded free edge for engaging beneath the vein of a shrimp and for wedging the vein between the lip and the supporting member [*i.e.*, the old punched sheet metal the inventors found illustrated in a commercial catalog], and
>
> [2] means [*i.e.*, a water current] operatively associated with said supporting member for relatively moving the shrimp with respect to said member to cause separation of the vein from the shrimp meat."

[7] Unless otherwise stated, all emphasis in quotations in this brief is added emphasis.

[8] See note 3 *supra*, p. 4.

Notwithstanding its dubious conclusion that claims of both combination patents were valid and infringed by petitioner's *domestic* sale of competitive shrimp deveining machinery, the trial court correctly refused to prohibit petitioner's accumulation in this country and sale for assembly in Brazil of *un*assembled, unpatentable parts of the patented combinations.[9]

Rather, the district court held that its injunction precluding infringement could not properly extend to such a case. The district court carefully rested its judgment on the "twin notions that underlie the patent laws. One is that a combination patent protects only the combination. The other is that monopolies—even those conferred by patents—are not viewed with favor" (310 F. Supp. 926, 929).

To reverse, the appellate court appears to have begun with the fact of respondent's "commercially successful [shrimp] deveining machinery" (443 F.2d at 934) consisting of an *unpatented* association of the two individually commercially useless, separately patented, combinations of the '218 and '927 patents and to have *sub silentio*

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[9] The decisions of both lower courts on the issues of patent validity and infringement by petitioner's domestic manufacture and sale of competitive deveining machinery are tainted with the same misdirected zeal to protect respondent's *unpatented* commercial "machine" that characterizes the Fifth Circuit decision here under review. For this reason, it is doubtful that either issue was correctly decided below. And while neither issue is *per se* before the Court in this proceeding, it must be recognized that the resolution below of the question which *is* here posed was undoubtedly colored by the underlying questionable rulings on validity and infringement by petitioner's domestic machinery.

Unfortunately, overzealousness to protect commercially exploited subject matter regardless of its relationship to what has actually been covered by the patent claims is observed all too frequently in the patent decisions of many lower courts. It is hoped that this case will provide a vehicle to instruct all the lower federal courts in the truly secondary and insignificant role, in patent cases generally, of facts concerning successful commercial exploitation.

conferred a new "patent" monopoly on the machinery. On this basis, it was then able to hold that petitioner "made" the machinery and hence infringed by its alleged "substantial manufacture of [only] the constituent [unassembled] *parts* of the *machine*" (443 F.2d at 939) in the United States.[10]

This departure from the established principles implemented by the trial judge was seemingly motivated by an alien and somewhat mercantilistic theory of patent law whereby the Constitution is viewed as having the primary object to promote commercial "innovation"[11] and to reward entrepreneurs instead of inventors. The Fifth Circuit said that

> ". . . To hold otherwise would subvert the Constitutional scheme of promoting 'the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.' U.S. Const. Art. I § 8 Cl. 8. It would allow an infringer to set up shop next door to a patent-protected inventor whose product [the *unpatented* "machine"] enjoys a substantial foreign market and deprive him of this valu-

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[10] Actually, petitioner does not "manufacture" all parts itself but purchases some, as admitted in respondent's restated "Question 1" set out at p. 3 of its brief opposing the petition.

[11] "Innovation" in this sense is economists' parlance for bringing new products to market. See Machlup "An Economic Review of the Patent System", Study No. 15 of the Subcommittee on Patents Trademarks and Copyrights, Committee on the Judiciary, United States Senate, 85th Cong., 2nd Sess. (1958) especially at pp. 25, 60. See also Conant, "Science and Common Sense," Yale University Press (1951) p. 330.

Manifestly this is *not* the context of this Court's reference to "innovation" in *Graham* v. *John Deere Co.*, 383 U.S. 1, 5 (1966) and *Anderson's Black Rock* v. *Pavement Salvage Co.*, 396 U.S. 57, 61 (1969) as an inherent constitutional restraint upon the scope of Congressional power to legislate with respect to patents. Unfortunately many modern adherents of expanded monopoly power for investors in patents ("innovators" in the economists' sense) have proceeded on the premise that it is.

able business. If this Constitutional protection is to be fully effectuated, it must extend to an infringer who manufactures [parts only] in the United States and then captures the foreign markets from the patentee. The Constitutional mandate cannot be limited to just manufacturing and selling [the combinations defined in the patent claims] within the United States. The infringer would then be allowed to reap the fruits of the American economy—technology, labor, materials, etc.—but would not be subject to the responsibilities of the American patent laws. We cannot permit an infringer to enjoy these benefits and then be allowed to strip away a portion of the patentee's protection." (443 F.2d at 939).

ARGUMENT

Both of the "twin notions" which the trial judge recognized to control his decision as well as the result that he reached are supported by constitutionally based, established precedent of many years standing. The erroneous appellate opinion stands alone, admittedly in conflict with decisions of three other courts of appeal.

I. A Combination Patent Can Be Infringed Only By Making The Combination

35 U.S.C. 271(a), which the Fifth Circuit says petitioner violated, had a virtually identical counterpart in the first patent act of 1790.[12] In the 1790 act, as now, the definition of infringement was the correlative of the stat-

[12] Section 4 of the 1790 act provided in pertinent portion "[t]hat if any person. . . shall devise, make, construct, use, employ or vend within these United States any art, manufacture, engine, machine or device or any invention or improvement upon or in any art, manufacture, engine, machine or device, the sole and exclusive right of which shall be . . . granted by patent to any person. . ., without the consent of the patentee. . ., every person so offending shall forfeit and pay. . . damages. . . and moreover shall forfeit. . . the thing or things so devised, made, constructed, used, employed or vended. . . ."

utory definition of the patent right—a right in all essential respects the same in 1790 as it is today.[13]

Petitioner's misconduct was found to reside in having "without authority" made what the court below persistently referred to as "the machine", "the entire patented machine" by accumulating in diverse crates but in one location a gaggle of parts, including razor blades, a water header, a trough, "standard" punched metal and a conveyor belt—and then shipping the crates to Brazil. Concerned with avoiding "an artificial technical construction" of the word "makes" in 35 U.S.C. 271(a) in favor of a "construction in keeping with the ordinary meaning of that term", one embracive of "the substantial manufacture of the constituent parts of the machine," [14] the Fifth Circuit overlooked the statute's mandate that infringement results only if the "*patented invention*" is made "without authority" and, concomitantly that it is not an infringement to make some *other un*patented item including one or more elements of a claimed combination, regardless of how expedient it might be for patent owners and investors in patents if the law were otherwise. As this Court said in *Bauer & Cie* v. *O'Donnell*, 229 U.S. 1, 10 (1913):

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[13] Thus Section 1 of the 1790 act provided that the inventor should be awarded a patent granting "the sole and exclusive right and liberty of making, constructing, using and vending to others to be used, the said invention or discovery. . . ."

The present counterpart, 35 U.S.C. 154, says in pertinent portion that "[e]very patent shall contain. . . a grant to the patentee. . . of the right to exclude others from making, using, or selling the invention throughout the United States. . . ."

[14] Otherwise, said the court below, it would be required "to countenance obvious schemes, perhaps as simple as omitting an important screw, designed to evade the mandate of Section 271(a)." (443 F. 2d at 939). The reference to "an important screw" is diversionary insofar as the patents are concerned because the claims in suit do not even mention a screw. It demonstrates further, however, that the court below was concerned with preventing *copying* of respondent's commercially successful *unpatented* machine rather than preventing infringement of the two patented combinations, each individually commercially useless.

> "In framing the act and defining the extent of the rights and privileges secured to a patentee, Congress did not use technical or occult phrases, but in simple terms gave an inventor the exclusive right to make, use, and vend his invention for a definite term of years. *The right to make can scarcely be made plainer by definition, and embraces the construction of* **the thing invented.**" [15]

Here the "*thing invented*"—the "*patented invention*" referred to in Section 271(a) is, for each of the '218 and '927 patents, only the combination of the old and previously well known elements defined by the respective claims in issue.

As early as 1842 this Court recognized the nature of this "combination" type of invention in *Prouty* v. *Ruggles*, 41 U.S. 334, 339 (1842) and emphasized that a combination patent is not infringed except by the union of *all* its parts arranged and combined together in the manner described in the patent. The Court said:

> ". . . The patent is for a combination, and the improvement consists in arranging different portions of the plough, and combining them together in the manner stated in the specification for the purpose of producing a certain effect. None of the parts referred to are new, and none are claimed as new; nor is any portion of the combination less than the whole claimed as new, or stated to produce any given result. The end in view is proposed to be accomplished by the union of all, arranged and combined together

[15] The patent act in effect in 1913 did not contain a statutory definition of infringement like the present act and that of 1790. It did, however, contain a correlative statutory definition of the patent right which was in all essentials the same as both the 1790 definition and that in effect today, note 13, *supra*, page 9. Thus the 1913 statute, R.S. 4884, in pertinent part provided

> "Every patent shall contain. . . a grant to the patentee. . . of the exclusive right to make, use and vend the invention or discovery throughout the United States and the Territories thereof. . . ."

in the manner described. *And this combination*, composed of all the parts mentioned in the specification, and arranged with reference to each other, and to other parts of the plough in the manner therein described, is stated to be the improvement, and *is the thing patented.* The use of any two of these parts only, or of two combined with a third, which is substantially different, in form or in the manner of its arrangement and connection with the others, is therefore not the thing patented. It is not the same combination if it substantially differs from it in any of its parts."

Again in *Schumacher* v. *Cornell*, 96 U.S. 549, 554 (1878), it was pointed out that

> "*A combination is always an entirety.* In such cases, the patentee cannot abandon a part and claim the rest, nor can he be permitted to prove that a part is useless, and therefore immaterial. *He must stand by his claim as he has made it.* If more or less than the whole of his ingredients are used by another, such party is not liable as an infringer, because he has not used the invention or discovery patented. With the change of the elements the identity of the product disappears. Vance v. Campbell, 1 Black, 427, 17 L. ed., 168."

In *Rowell* v. *Lindsay*, 113 U.S. 97, 102 (1885), this Court again stated

> "The patent of the plaintiffs is for a combination *only. None of the separate elements of which the combination is composed are claimed as the invention of the patentee, therefore none of them standing alone are included in the monopoly of the patent.* As was said by Mr. Justice Bradley in the case of The Corn-Planter Patent, 23 Wall., 224 [90 U.S., XXIII, 170]: 'When a patentee after describing a machine, claims as his invention, a certain combination of elements or a certain device or part of the machine, this is an implied declaration as conclusive, so far as that patent is concerned, as if it were

expressed, that the specific combination or thing claimed is the only part which the patentee regards as new. True, he or some other person may have a distinct patent for portions not covered by this, but that will speak for itself. So far as the patent in question is concerned, the remaining parts are old or common and public.' See, also, Merrill v. Youmans, 94 U.S., 573 [XXIV., 236]; Water-Meter Co. v. Desper, 101 U.S. 332-337 [XXV., 1024-1026]; Miller v. Brass Co., 104 U.S., 350 [XXVI., 783]. These authorities dispose of the contention of the plaintiffs' counsel that their patent covers one of the separate elements which enters into the combination, namely: a slotted wooden beam, because, as they contend, that element is new and is the original invention of the patentees.

"The patent being for a combination, there can be no infringement unless the combination is infringed."

In *Gill* v. *Wells*, 89 U.S. 1, 19 (1874) and *Fuller* v. *Yentzer*, 94 U.S. 288, 297 (1877), the Court emphasized that the patentee of an invention consisting of a combination of old elements has rights which "differ in one respect from those of a patentee of an invention which consists of an entire machine" because his rights "are not infringed, unless it appears that the alleged infringer made or used the entire patented combination", citing *Gould* v. *Rees*, 82 U.S. 187, 194 (1872).

As stated in *Hubbell* v. *United States*, 179 U.S. 77, 84 (1900)

" 'It may be observed . . . that the courts of this country cannot always indulge the same latitude which is exercised by English judges in determining what parts of a machine are or are not material. *Our law requires the patentee to specify particularly what he claims to be new, and if he claims a combination of certain elements or parts, we cannot declare that any one of these elements is immaterial.* The patentee makes them all material by the restricted form of his claim.' Per Mr. Justice Bradley

in Union Water-Meter Co. v. Desper, 101 U.S. 332, 337, 25 L. ed. 1024, 1026; Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co., 152 U.S. 425, 429, 38 L. ed. 501, 502, 14 Sup. Ct. Rep. 627."

This Court has never departed from these principles —see *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U.S. 661, 667 (1944) and *Mercoid Corp.* v. *Minneapolis Honeywell Regulator Co.*, 320 U.S. 680, 684 (1944) —which it last reiterated in *Aro Mfg. Co. Inc.* v. *Convertible Top Replacement Co., Inc.*, 365 U.S. 336, 344 (1961) stating

". . . For if anything is well settled in the patent law, it is that the combination patent covers only the totality of the elements in the claim and that no element, separately viewed, is within the grant." [16]

The trial court applied these basic principles to hold that petitioner's manufacture of unpatented and unpatentable parts for first assembly into a shrimp deveining device in Brazil [17] did not infringe the patents in suit.

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[16] This rule is but the necessary concomitant of the equally well established requirement that a new combination of old elements to be patentable, must perform a function or possess a quality in excess of what could be predicted from the sum total of its parts. *Reckendorfer* v. *Faber*, 92 U.S. 347 (1876); *Great A&P Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147 (1951); *Anderson's Black Rock* v. *Pavement Salvage Co.*, 396 U.S. 57 (1969). For if the combination is patentable *because* "the whole in some way exceeds the sum of its parts", *A&P, supra*, 340 U.S. at 152, then unless the whole is fully assembled in the manner specified by the claim, the "thing patented" is not made and there is no infringement.

[17] Assembly of the patented combinations in Brazil infringes no right of the respondent patent owner because Section 271(a) limits infringement to acts performed "within the United States". *Cold Metal Process Co.* v. *United Engineering and Foundry Co.*, 235 F.2d 224 (8 Cir. 1956); *Hewitt-Robins, Inc.* v. *Link-Belt Co.*, 371 F. 2d 225 (7 Cir. 1966).

As said in *Brown* v. *Duchesne*, 60 U.S. 183, 195 (1857)

"The patent laws are authorized by that article in the Constitution which provides that Congress shall have power to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to

The trial court adopted the rationale of *Radio Corp. of America* v. *Andrea*, 79 F. 2d 626 (2 Cir. 1935) where the court—faced with the same situation as that at bar—concluded that the combination patentee's "monopoly does not cover the manufacture or sale of separate elements *capable of being, but never* actually, associated to form the invention. Only when such association is made is there a direct infringement of his monopoly and not even then if it is done outside the territory for which the monopoly was granted. . . ." (79 F.2d at 628).[18] To the same effect are *Cold Metal Process Co.* v. *United*

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their respective writings and discoveries. The power thus granted is domestic in its character, and necessarily confined within the limits of the United States. It confers no power on Congress to regulate commerce. . . .

* * * *

"But these Acts of Congress do not, and were not intended to, operate beyond the limits of the United States; and as the patentee's right of property and exclusive use is derived from them, they cannot extend beyond the limits to which the law itself is confined. And *the use of it outside of the jurisdiction of the United States is not an infringement of his rights, and he has no claim to any compensation for the profit or advantage the party may derive from it.*"

Manifestly, respondent's proper avenue of relief for first assembly of the "machine" in Brazil would be an action for infringement of such relevant Brazilian patents as it may own. And if there be no Brazilian patents, this manifestly can provide no excuse for extra-territorial or other unauthorized expansion of respondent's United States patents.

[18] Thus the sale of its unassembled parts in the United States is no more an infringement of a combination patent than the making of the same parts. Moreover as noted in *Hewitt-Robins, Inc.* v. *Link-Belt Co.*, 371 F. 2d 225, 229 (7 Cir. 1966) the state law of sales, whatever it may decree, "may not be permitted to encroach upon the Federal patent law directly or indirectly to 'give protection of a kind that clashes with the objectives of such Federal law.' Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 231. . . . Thus, State standards prescribed to measure the 'unit' which is the subject of a contract of sale, or to fix the time when title shall be deemed to have passed, cannot be determinative of what constitutes a patented invention or whether the 'invention' has been sold within the United States."

Engineering and Foundry Co., 235 F. 2d 224 (3 Cir. 1956) and *Hewitt-Robins, Inc.* v. *Link-Belt Co.*, 371 F. 2d 225 (7 Cir. 1966), where the court after quoting the basic rule as enunciated in *Aro supra*, held

> "We deem it equally clear that unassembled elements of a combination patent do not constitute the 'patented invention.'" (371 F. 2d at 229).

Since, as this Court held in *Aro, supra*, ". . . § 271 (a) of the new [1952] Patent Code, which defines "infringement" left intact the entire body of case law [including *Andrea*] on direct infringement" (365 U.S. at 342) the Fifth Circuit's reliance upon an unprecedented construction of the word "makes" to reject over a century of established precedent from this Court limiting the scope of combination claims is unwarranted.[19] Particularly so, as the trial court also emphasized because ". . . monopolies . . . are not viewed with favor"; hence "once the patent issues it is strictly construed . . . it

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[19] There can be no justification for the Fifth Circuit's misdirected effort to "balance the protection extended to the patentee by the patent laws with the public's right to use the constituent elements" (443 F. 2d at 939).

These unpatented and unpatentable elements are in fact "materials already available"—"existent knowledge" in "the public domain"—which the public has a constitutionally guaranteed free right to use without compromise by any patent monopoly. Congress being constitutionally precluded from authorizing the grant of a patent restricting "free access" to such "constituent elements" § 271(a) is invalid as construed by the court below. *Graham, supra, Anderson's Black-Rock, supra.*

The same conclusion is compelled by the Fifth and Fourteenth Amendment concepts of "liberty" and "property" to which the patent clause is subservient. These paramount concepts "embrace the right of the citizen to be free in the employment of all his faculties; to be free to use them in all lawful ways; . . . to earn a livelihood by any lawful calling". *Allgeyer* v. *Louisiana*, 165 U.S. 578, 589 (1886), *Greene* v. *McElroy*, 360 U.S. 474, 492 (1959), *United States* v. *Robel*, 389 U.S. 258, 265 (1967). These rights would be hollow indeed if any citizen were precluded by the patent laws from utilizing in his lawful trade or calling razor blades, troughs, water sprays, or any other subject matter in the public domain.

cannot be used to secure any monopoly beyond that contained in the patent". *Sears, Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225, 230 (1964). The patent "results from invention . . . is limited to the invention it defines" *Mercoid* v. *Mid-Continent Investment Co.*, *supra*, 320 U.S. at 666 and "is not enlarged by reason of the fact that it would be more convenient to the patentee to have it so, or because he cannot avail himself of its benefits within the limits of the grant." *B. B. Chemical Co.* v. *Ellis*, 314 U.S. 492, 495 (1922).

This Court has repeatedly refused to permit protection against the copying of *unpatented*, albeit commercially successful, articles in the guise of enforcing state unfair competition laws. *Sears, Roebuck & Co.* v. *Stiffel* 376 U.S. 225 (1964), *Compco Corp.* v. *Day-Brite Lighting Inc.* 376 U.S. 234 (1964), *Kellogg Co.* v. *National Biscuit Co.* 305 U.S. 111 (1938), *Singer Mfg. Co.* v. *June Mfg. Co.* 163 U.S. 169 (1896). In this case the court below, under the guise of the patent laws, has condemned "substantial" copying by assembly *in Brazil* of a commercially successful "machine" which is itself *unpatented* but which incorporates two separate patented combinations of old mechanical elements. By amalgamating the two separate patent monopolies of the '218 and '927 patents into a single monopoly on a "machine" that the Patent Office never granted, the Fifth Circuit has permitted respondent to utilize its two limited patent rights to exact tribute for a different and unpatented article—the "machine" in derogation of the public right.

II. The Court Below Incorrectly Protected an Unpatented Monopoly—Respondent's Commercial "Machine"

In its erroneous decision below, the Fifth Circuit, following a pattern it had established in its own decision on validity issues, construed the '218 and '927 patents together as one monopoly covering an integral "machine" which successfully performed, on a commercial scale, the shrimp deveining operation.

In its validity opinion the court below said that "[t]he key ingredients of commercially successful deveining machinery remain an inclined trough lubricated by water, knives positioned so that they strike and slit the backs of the shrimp meats as they slide down this trough, *coupled with* a mechanical method whereby the slit shrimp meats are brought into contact with punched metal lips which hook, wedge and pull out the dangling veins."[20] It was Laitram's assignors who discovered that these ingredients would perform this useful function and the grant of the 218 and 927 patents resulted." (443 F. 2d at 934).

Having thus acknowledged that the *single* "useful function" achieved—*i.e.*, the deveining of shrimp on a commercial scale—was effected only by the two patented combinations in concert,[21] the Fifth Circuit should have been moved to question the trial court's validity holdings on the separate patents based primarily on alleged commercial success. Had it done so, the Fifth Circuit would have recognized that the record shows respondent did not try to market either patented combination separately and hence that neither was a success alone.[22]

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[20] Neither of the claims before the Court recites "a mechanical method", nor does *any* claim of either patent. If any method claim were in suit the suggestion that it could be infringed by acts performed in Brazil would have been frivolous on the face of 35 U.S.C. 271(a), since a claimed process used only in Brazil is clearly outside the statutory language. This suggestion by the Fifth Circuit that any part of the "*real invention*" involved is a method thus confirms the overreach of the decision below.

[21] See the trial court fact findings reproduced *supra*, note 3, p. 4.

[22] Because commercial success is often attributable to factors which are wholly extrinsic to the patent grant, this Court has always recognized its unreliability as a measure of the quality of a patented invention. For example, in *McClain* v. *Ortmayer*, 141 U.S. 419, 427-8 (1891) the Court cautioned that ingenuity in advertising, unusually vigorous sales promotion, awarding of large commissions to dealers and even superiority in finishing or decorating goods may well account for commercial success in cases where no patentable invention is present. Similarly in *Goodyear* v. *Ray-O-Vac*, 321

Instead, the Court of Appeals was so impressed by the commercial success of the integral "machine" in which both patented combinations were incorporated that it permitted both patents to "borrow" such success from that "machine." [23] The Fifth Circuit then used the "machine" as the scope of monopoly against which petitioner's activities in accumulating unpatented parts for sale to Brazil were measured, thus unjustly rewarding respondent for its activities in the marketplace and extending both patent monopolies beyond the patent grants.[24]

U.S. 275, 281 (1944) Mr. Justice Jackson, dissenting, criticized the failure of the lower courts to make findings on whether the commercial success alleged in that case may have been due "to the phenomenal increase in demand during the war and to the advantages of marketing contracts with mail order houses" rather than any quality of the patented invention.

On this same basis it seems abundantly clear that commercial success is an equally unsatisfactory measure of the scope of a patent monopoly—and particularly so when the patented device has never been *per se* exploited.

[23] This Court in the blockbooking cases, *United States* v. *Loew's Inc.*, 371 U.S. 38 (1962) and *United States* v. *Paramount Pictures, Inc.*, 334 U.S. 131 (1948) held that patents and copyrights must, for purposes of licensing to third parties, each stand on their own feet, with no one such right borrowing quality from another or strengthening its monopoly by drawing upon another. Clearly if patents may not be lumped together for the purpose of licensing (authorized use) because of the danger of creating a new or enlarged economic monopoly, they may not be lumped together in evaluating infringement (unauthorized use) because of the very same danger.

In the context of this case, of course, both lower courts viewed "commercial success" and "quality" as synonymous.

[24] It is interesting to note that the '218 patent expired in November 1971 while the '927 patent still has several years to run. Insofar as is known to the *amicus curiae*, no consideration has been given below to the effect, if any, of '218's expiration upon the injunction against petitioner's sale of unpatented parts in Brazil.

Certainly, this expiration of one patent only leaves the Fifth Circuit upon the horns of a dilemma, since its release of some but not all of the unpatented parts from the injunction would release "the machine" from protection against imitation; yet fail-

Unfortunately there is a rising impetus today, in which the Fifth Circuit in this case has joined, to argue that the constitutional authorization to establish a patent system *solely* "to promote the progress of science and the useful arts" should be implemented in a manner designed to foster commercial "innovation"—another name for "commercial success"—even to the exclusion of technological advancement.[25] Proponents of this philosophy particu-

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ure to release at least the component parts of the '218 combination from the injunction would further illegally extend the '218 monopoly in time in derogation of *Brulotte* v. *Thys Co.*, 379 U.S. 29 (1964).

[25] The major proponents of this thesis are the organized patent bar and the Department of Commerce. For example, BNA's Patent, Trademark and Copyright Journal for February 3, 1972 reports a speech by Professor James B. Gambrell of New York University School of Law to the mid-winter meeting of the American Patent Law Association in which Professor Gambrell construed "the constitutional mandate 'to promote the useful arts.' The 'useful arts', he said, are promoted both by the inventor who conceives of new and useful inventions and the innovator who is necessary if the invention is to be put to use. One cannot isolate the inventor from the innovator, he observed." (p. A-3).

Another example is found in the pending petition for *certiorari* in *Lemelson* v. *Topper Corp.*, No. 71-945, filed January 21, 1972, wherein the Court is urged to abandon the constitutional standard of patentable invention held to be mandated by the patent clause of the Constitution and look instead to the Commerce clause in order to bring "commercial reality" to the patent system and provide a basis for the encouragement and reward of investors. The petition states that "a basic reason, in today's society, for patents is to encourage capital investment in new technology. The inventor, most likely, is employed by some company and is not directly rewarded by the patent grant—his company is". The Court is urged that if the Commerce clause be utilized as a justification for the patent system "Congress in its wisdom may award non-inventors with patents to new technology. . ., as it awards radio frequencies, railroad right-of-ways [sic] and airline routes."

Still other examples are found in Department of Commerce proposals for emasculating the antitrust laws and legitimatizing business and trade monopolies, supposedly as a means of improving the foreign trade balance of payments, and in the so-called "Scott amendents" removing countless antitrust restrictions on patent licensing which the patent bar urged the Congress to adopt as Sections 261 (b), (e) and (f), 271 (f) and (g) and 301 of S. 643, 92nd Congress, 1st Sess, the pending patent revision bill.

larly urge that our economy is lagging behind in the world because of failure to provide generous incentives and rewards for the investment of risk capital in product development and research, and that the patent system should be utilized to stimulate commercialization of new products through the mechanism of making patents easier to obtain and easier to enforce. The decision below reflects wholesale acceptance of this alien, pre-colonial philosophy which is of English origin and contrary to the very cornerstone of our national existence. The constitutional framers indeed had experience with its unfortunate results under English law, and were anxious to ensure that this country should be established upon a different philosophy.

As this Court has noted, "[i]t was a monopoly on tea that sparked the [American] Revolution . . .," [26] Our Constitution, including its patent clause, "was written against the backdrop of the practices—eventually curtailed by the Statute of Monopolies—of the Crown in granting monopolies to court favorites in goods or businesses which had long before been enjoyed by the public." [27] Because the abuses of monopoly power as a stimulant to and reward for commercial activity were well understood by the participants, a proposed Constitutional provision giving Congress power "to establish public institutions, rewards and immunities for the promotion of agriculture, commerce, trade and manufacture" was emphatically rejected by the Constitutional Convention.[28]

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[26] *Graham* v. *John Deere Co.*, 383 U.S. 1, 7 (1966). The "monopoly" was held by the British East India Company which enjoyed an exclusive right to market tea and various other commodities throughout England and all its possessions.

[27] *Graham*, *supra*, 383 U.S. at 5, citing Meinhardt, "Inventions, Patents and Monopoly," pages 30-35 (London, 1946).

[28] Story, "Commentaries on the Constitution of the United States," Vol. 3, Section 1150 (1833); Warren, "The Making of the Constitution," 625-672 (1928).

As stated in Robinson on Patents [30]

> ". . . When the Constitutional Convention met, its members had before them, there under consideration, the English idea, and a suggestion of a different idea, in the practice of the colonies. The English idea had been to encourage monopolies so that the introduction of a new trade or a new art was the essence of the law. The constitutional idea, however, was that of encouraging domestic invention, and in the first patent law of 1790, and in all subsequent amendments of that law, the basic idea has been to encourage original invention. *The introduction of those inventions into use was wisely left to the incentive of business enterprise.* The intention was to encourage inventive thought; to secure a disclosure of the inventive thought as promptly as possible." [31]

This Court itself has consistently stressed that the patent system as established pursuant to constitutional authorization in Article I, Section 8, Clause 8 is for the primary benefit of the public and not for private emolument. The patent right has undeviatingly been construed as a narrowly limited exception to the American repudiation of monopolies,[32] invested with a transcendent pub-

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[30] 1890 Ed., Introduction (pp. 4-5).

[31] To the same effect, W. Hamilton and I. Till, in their article "What is a Patent?" 13 Law and Contemp. Prob., 245, 246 (1948) noted that

> "The Fathers who met at Philadelphia were. . . well acquainted, both from history and by experience, with the excesses which had attended the royal 'patent of monopoly.' They knew the part the fight against the royal prerogative, finding legislative expression in the Statute of Monopolies, had played in the struggle by which 'English liberties' were won and American independence established. Intent upon preventing the recurrence of a 'plague of monopolies,' they conferred upon the new republic—a government of delegated and limited powers—no general warrant to issue exclusive writs of any kind. The mandate in respect to the exclusive right to the inventor is thus to be read as an exception to the general rule."

[32] While American historians and legal commentators are more inclined to dwell upon the English experience with monopolies, it

lic purpose to which the inventor's reward—and even more that of his financial backers—is secondary. As succinctly stated in *Motion Picture Patents Co.* v. *Universal Film Mfg. Co.*, 243 U.S. 502, 510-11 (1917)

> "Since Pennock v. Dialogue, 2 Pet. 1, 7 L. ed. 327, was decided in 1829, *this court has consistently held that the primary purpose of our patent laws is not the creation of private fortunes for the owners of patents, but is 'to promote the progress of science and the useful arts'* (Constitution, art. 1 § 8),—an object and purpose authoritatively expressed by Mr. Justice Story, in that decision, saying:
>
> > 'While one great object [of our patent laws] was, by holding out a reasonable reward to inventors and giving them an exclusive right to their inventions for a limited period, to stimulate the efforts of genius, the main object was "to promote the progress of science and useful arts." '
>
> "Thirty years later this court, returning to the subject, in Kendall v. Winsor, 21 How. 322, 16 L. ed. 165, again pointedly and significantly says:
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> > 'It is undeniably true, that the limited and temporary monopoly granted to inventors was never designed for their exclusive profit or advantage; the benefit to the public or community at large was another and doubtless the primary object in granting and securing that monopoly.'
>
> "This court has never modified this statement of the relative importance of the public and private

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should be remembered that the guild system which subsisted in many parts of Europe through at least the end of the 18th Century was also a form of monopoly power devised for the encouragement of commerce, trade and business which worked to the enslavement of ordinary people. Undoubtedly at least some of the constitutional framers were familiar with the guild system and its abuses and were equally as interested in avoiding such abuses as those which had been experienced under British monopoly law.

interests involved in every grant of a patent, even while declaring that, in the construction of patents and the patent laws, inventors shall be fairly, even liberally, treated. Grant v. Raymond, 6 Pet. 218, 241, 8 L. ed. 376, 384; Winans v. Denmead, 15 How. 330, 14 L. ed. 717; Walker, Patents, § 185." [22]

The Court similarly stated in *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U.S. 660, 665-6 (1944) that

"The grant of a patent is the grant of a special privilege 'to promote the Progress of Science and useful Arts.' Const. Art. I, § 8. It carries, of course, a right to be free from competition in the practice of the invention. But the limits of the patent are narrowly and strictly confined to the precise terms of the grant. Ethyl Gasoline Corp. v. United States, 309 US 436, 456, 84 L ed 852, 861, 60 S Ct 618; United States v. Univis Lens Co. 316 US 241, 251, 86 L ed 1408, 1418, 62 S Ct 1088. It is the public interest which is dominant in the patent system. Pennock v. Dialogue, 2 Pet (US) 1, 7 L ed 327; Kendall v. Winsor, 21 How (US) 322, 329, 16 L ed 165, 168; Adams v. Burke, 17 Wall (US) 453, 21 L ed 700; Motion Picture Patents Co. v. Universal Film Mfg. Co. supra (243 US pp 510, 511, 61 L ed 876, 877, 37 S Ct 416, LRA1917E 1187, Ann Cas 1918A 959); Morton Salt Co. v. G. S. Suppiger Co. 314 US 488, 86 L ed 363, 62 S Ct 402, supra; United States v. Masonite Corp. 316 US 265, 278, 86 L ed

[22] In *United States* v. *Masonite Corp.*, 316 U.S. 275, 278 (1942), the Court reiterated the same principle, stating in pertinent portion

"As stated by Mr. Justice Story in Pennock v. Dialogue, 2 Pet. (US) 1, 19, 7 L. ed 327, 333, the promotion of the progress of science and the useful arts is the 'main object;' reward of inventors is secondary and merely a means to that end. Or, in the words of Mr. Justice Daniel in Kendall v. Winsor, 21 How (US) 322, 329, 16 L. ed 165, 168, 'Whilst the remuneration of genius and useful ingenuity is a duty incumbent upon the public, the rights and welfare of the community must be fairly dealt with and effectually guarded. Considerations of individual emolument can never be permitted to operate to the injury of these.' "

1461, 1475, 62 S Ct 1070. It is the protection of the public in a system of free enterprise which alike nullifies a patent where any part of it is invalid (Marconi Wireless Teleg. Co. v. United States, 320 US 1, 58, 87 L ed 1731, 1762, 63 S Ct 1393; and see General Electric Co. v. Wabash Appliance Corp. 304 US 364, 372, 82 L ed 1402, 1407, 58 S Ct 899) and denies to the patentee after issuance the power to use it in such a way as to acquire a monopoly which is not plainly within the terms of the grant. *The necessities or convenience of the patentee do not justify any use of the monopoly of the patent to create another monopoly . . . The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines.*"

As early as *Wilson* v. *Rousseau*, 49 U.S. 646, 678 (1846), this Court made it clear that financial rewards to third parties who have invested in a patented invention and thus enabled its commercialization are not a legitimate or even logical object of Congressional largesse in legislation enacted pursuant to the constitutional patent clause.[23] Squarely rejecting an argument that any patent term extension obtained under the 18th section of the Patent Act of 1836 should devolve upon the assignee of the original patent term rather than the inventor, this Court said that any such statutory construction

> ". . . gives . . . remuneration to parties that have no peculiar claims upon the government or the public, and takes it from those who have.
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> * * * *
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> ". . . Congress had not at all in view protection to assignees. . . . their condition on account of dealing

[23] Respondent Laitram Corporation is a financial backer of the Lapeyres, the alleged inventors of the patents in suit. Laitram's contribution to the commercialization of shrimp deveining gadgetry apparently came *after* the issuance of the patents in suit, both of which are assigned on their face to the Peelers Company, a partnership including the Lapeyres.

in the subject of the invention, whether successful or otherwise, was not in the mind of that body, nor can any good reason be given why it should have been.

"They had purchased portions of the interest in the invention, and dealt with the patent rights as a matter of business and speculation; *and stood in no different relation to the government or the public than other citizens engaged in the common affairs of life.*

"Nothing short of the most fixed and positive terms of a statute could justify an interpretation so repugnant to the whole scope and policy of it, and to wise and judicious legislation." [24]

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[24] Twenty years or so ago prominent members of the patent bar acknowledged that the patent system had no legitimate purpose to stimulate or reward commercial activity. Thus for example, the Hearings before Subcommittee No. 3 of the Committee on the Judiciary, House of Representatives, 82d Congress, 1st Session, held June 20 and 22, 1951, concerning certain proposed bills to provide for the extension of patent terms reflect that John Hoxie, Chairman of the Committee on Patent Law and Practice, New York Patent Law Association, emphasized that

"A patent gives the patent owner a very limited right. . . .

A patent gives the patent owner the right to exclude others from making or using or selling the same thing, the thing he has patented. In terms of economic value it gives the patent owner protection from just one hazard of economic life, and that is imitative competition. . . .

. . . All of the other winds of fortune and vicissitudes of economic life are untouched by the patent system. A patent owner, when he engages in business, takes his chances along with everyone else in the business world." (Hearings, p. 12).

In similar vein, Paul A. Rose, Chairman of the Committee on Laws and Rules of the American Patent Law Association, candidly acknowledged that "[t]he thesis advanced by some that the granting of a patent carries with it some sort of implied guaranty that the patentee shall derive some profit from the patent or from practice of the patented invention is unsound." (Hearings, p. 95).

To the same effect is the statement of Albert E. Noelte, Chairman of the Committee on Patents of the National Association of Manufacturers:

[Footnote continued on page 26]

On the other side of the same coin, this Court has repudiated the argument that the patent grant carries with it any duty to commercialize the invention, *Continental Paper Bag Co.* v. *Eastern Paper Bag Co.*, 210 U.S. 405 (1920), *Crown Die & Tool Co.* v. *Nye Tool and Machine Works*, 261 U.S. 24 (1923). In so doing the Court has held that even the patentee who has withheld his patented invention from the market may recover for infringement of the patent *to the same extent* as the patentee-entrepreneur who has commercialized his patented product.

The Court has thus consistently recognized that commercial innovation and any rewards it may provide to the investor-innovator are matters of ordinary business enterprise *quite outside* the scope of the patent system. It has always followed in the early tradition of those who read the Constitution to mean that the public interest in patents comes first and the inventor's reward is secondary. In these times when the voice of the great majority of those who work most closely with the patent system is raised in denigration of its historical and constitutional purpose, this Court is called upon to be particularly alert to the growing danger that economic monopolies masquerading under the label of "patents" will become an instrument of public oppression in this country. If that danger is not effectively countered by strong adherence to the principles on which this country was founded, it is likely that both our patent system as it

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[34] [Continued]

"It should be borne in mind that the patentee by the grant of the patent receives no right to utilize his invention. Whatever right he has in that respect is a common law right which, of course, is subject to his not encroaching upon the rights of others." (Hearings, p. 118).

Today's reversal of attitude among leaders of the organized patent bar (supra, note 25, p. 19), is the more marked in light of the fact that apposite statutory provisions remain virtually the same—and the Constitutional patent clause has not changed at all.

exists and our free competitive economy will founder on a rising tide of business monopoly designed to promote business interests to the detriment of the general public.

CONCLUSION

The decision below should be reversed not only because it is wrong but because it rests upon a false and alien philosophy which, given a foothold, will destroy the very underpinnings of our Constitution and our governmental system.

Respectfully submitted,

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